



The State of New Hampshire  
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

March 20, 2007

The Honorable Susan W. Almy, Chair  
Ways and Means Committee  
Room 202 Legislative Office Building  
Concord, NH 03301

**RE: HB 664-FN, relative to annual dam registration and permit application fees**

Dear Chairman Almy:

Thank you for the opportunity to testify in favor of HB 664-FN, which amends RSA 482 to increase the annual dam registration fees and filing fees to cover the cost of inspecting and permitting the construction and reconstruction of dams in New Hampshire. We welcome the Legislature's efforts to explore alternative methods to fund important Department of Environmental Services programs.

The two major flood events that have occurred in the state in the last year and a half have raised awareness of the significance of New Hampshire's dams and the need to ensure their structural and operational integrity to protect public safety and property. The bill provides resources to achieve this goal by increasing the annual dam registration fees and permit application fees to cover the cost of dam safety inspections and permitting and providing the resources necessary to improve compliance with state dam safety regulations for all dams in the state.

New Hampshire's Dam Safety Program is responsible for ensuring that all 3,068 regulated dams in the state are constructed, operated and maintained in accordance with dam safety regulations. As part of that responsibility, the DES Dam Bureau:

- reviews and approves the plans and specifications for the construction and reconstruction of all dams in the state through its permitting program;
- inspects, on a schedule based on hazard classification, the 839 dams that could cause loss of life or property damage if they were to fail;
- institutes enforcement actions to correct deficiencies identified in the inspections; and
- inspects the downstream areas of the remaining 2,229 non menace dams to ensure that their hazard classification have not changed because of downstream development.

This work is funded partially through dam registration and permitting fees and partially through the general fund. The fees were first introduced in 1990 to reduce the portion of the program funded by the general fund. They were later increased in 1997 to the current levels to, again, reduce the general fund contribution to the program, as well as to fund modest program improvements after the fatal failure of the Meadow Pond Dam in 1996.

The fee increases proposed in HB 664 are based on the costs of performing inspections of existing hazardous dams and reviewing and approving plans and specifications for the construction or reconstruction of dams in the state. Table 1 provides the basis for the schedule proposed in the bill for the Annual Dam Registration Fees to cover the costs of periodic dam inspections. As shown in Table 1, the costs for a dam inspection range from over \$2,300 to approximately \$2,900, based on hazard classification. Also as shown on the table, the annual cost of inspecting DES's requirement of 158 dams each year is approximately \$400,000, and the current Annual Dam Registration Fees cover less than 38% of the costs.

As indicated in Table 1, Low Hazard dams are currently inspected once every 6 years; thus an Annual Dam Registration Fee of approximately \$400 for Low Hazard Dams is needed to cover the costs of this activity. Similarly, Significant Hazard dams are currently inspected once every four years, and an Annual Dam Registration Fee of approximately \$750 is needed to cover the costs of inspection. High Hazard dams are currently inspected once every two years, which justifies an Annual Dam Registration Fee of \$1,500 to cover these costs.

Table 2 provides the basis for the schedule of fees proposed in the bill to cover the costs of permitting the construction or reconstruction of a dam. As shown on the table, the estimated costs for permitting ranges from approximately \$2,300 for non-hazard dams to over \$3,800 for High Hazard dams. The permit fees proposed in the bill are consistent with these costs.

Currently, compliance inspections and follow up on deficient dams lag performance goals. At this time, there are approximately 240 dams with known deficiencies of some form, including 9 with major deficiencies. This ranks New Hampshire third in the country in the number of dams with identified deficiencies. In addition to covering the costs of inspection and permitting, the resources provided with this fee increase will allow DES to increase follow-up inspections and institute enforcement actions, where necessary, to reduce the number of non-compliant dams by 75%.

Thank you for this opportunity to comment on this bill. Please call either me at 271-3503, or Jim Gallagher at 271-1961, if you have any questions or need additional information.

Very truly yours,

  
For Thomas S. Burack  
Commissioner

Attachments

cc: Representative Donald A. Brueggemann  
Representative Frank W. Davis  
Representative Christine C. Hamm  
Representative Henry A. L. Parkhurst  
Senator Peter Hoe Burling



TABLE 1 - EFFECT OF FEE SCHEDULE IN FUNDING COSTS OF DAM INSPECTIONS

Hazard Classification	Low	Significant	High	TOTAL
Total Inspection Cost Per Dam (See Table 1A)	\$2,329	\$2,885	\$2,885	
Current Inspection Interval (years)	6	4	2	
Inspection Cost (per year per dam)	\$388	\$721	\$1,443	
Number of Annual Inspections (per year)	85	43	30	158
Estimated Total Annual Costs of Inspections	\$197,965	\$124,055	\$86,550	\$408,570
Existing Annual Dam Registration Fee	\$100	\$300	\$600	
Number of Dams on Which Fees are Assessed	534	184	77	795
Total Annual Revenue Under Existing Fee Structure	\$53,400	\$55,200	\$46,200	\$154,800
Balance Under Existing Fee Structure	(\$144,565)	(\$68,855)	(\$40,350)	(\$253,770)
Proposed Annual Dam Registration Fee under HB 664	\$400	\$750	\$1,500	
Number of Dams on Which Fees are Assessed	534	184	77	795
Total Annual Revenue Under HB 664 Fee Structure	\$213,600	\$138,000	\$115,500	\$467,100
Balance Under HB 664 Fee Structure	\$15,635	\$13,945	\$28,950	\$58,530

TABLE 1A - ESTIMATED COSTS FOR DAM INSPECTIONS

Task	Person-Days for Each Task by Hazard Class		
	Low	Significant	High
Pre-inspection file review	0.25	0.50	0.50
Field inspection	1.00	1.00	1.00
Hydrology & hydraulics	1.50	1.50	1.50
Post-inspection file review	0.25	0.25	0.25
Report preparation	0.50	0.50	0.50
Supervisory review	0.25	0.50	0.50
EAP review	N/A	0.50	0.50
Clerical/administrative processing	0.25	0.25	0.25
Follow-up Inspection			
File review	0.25	0.50	0.50
Field inspection	1.00	1.00	1.00
Report preparation	0.25	0.50	0.50
Clerical/administrative processing	0.25	0.25	0.25
Total person-days spent per hazard	5.75	7.25	7.25
Cost (based on \$370.33/day)	\$2,129	\$2,685	\$2,685
Estimated expenses	\$200	\$200	\$200
Total Inspection Cost per Dam	\$2,329	\$2,885	\$2,885

**TABLE 2 - EFFECT OF FEE SCHEDULE IN FUNDING COSTS OF PERMITTING DAMS**

Hazard Classification	Non-Hazard	Low	Significant	High	TOTAL
Total Permitting Cost Per Dam (See Table 2A)	\$2,274	\$2,922	\$3,848	\$3,848	
Estimated Number of Permit Applications per Year	17	10	3	3	33
Estimated Total Annual Costs of Permitting	\$38,658	\$29,220	\$11,544	\$11,544	\$90,966
Existing Permit Fee	\$250	\$500	\$750	\$1,250	
Total Annual Revenue Under Existing Fee Structure	\$4,250	\$5,000	\$2,250	\$3,750	\$15,250
Balance Under Existing Fee Structure	(\$34,408)	(\$24,220)	(\$9,294)	(\$7,794)	(\$75,716)
Proposed Permit Fee under HB 664	\$2,000	\$3,000	\$4,000	\$4,000	
Total Annual Revenue Under HB 664 Fee Structure	\$34,000	\$30,000	\$12,000	\$12,000	\$88,000
Balance Under HB 664 Fee Structure	(\$4,658)	\$780	\$456	\$456	(\$2,966)

**TABLE 2A - ESTIMATED COSTS TO PROCESS APPLICATIONS FOR PERMITS  
FOR CONSTRUCTION AND RECONSTRUCTION PROJECTS**

Task	Person-days for Each Task by Hazard Class			
	Non-Hazard	Low	Significant	High
Initial review of application package	0.5	0.75	0.75	0.75
Initial site evaluation	1	1	1	1
Review of hydrology & hydraulics	1	1	1	1
Review of plans and specifications	0.5	1	1	1
Report preparation	0.5	0.75	0.75	0.75
Draft EAP review	N/A	N/A	1	1
Supervisory review	0.5	0.75	1	1
Clerical/administrative processing	0.25	0.25	0.25	0.25
Create database record	0.1	0.1	0.1	0.1
Permit compliance tracking	0.25	0.75	1	1
Final EAP review	na	na	1	1
Post-construction inspection & reporting	1	1	1	1
<b>Total person-days spent per hazard</b>	<b>5.6</b>	<b>7.35</b>	<b>9.85</b>	<b>9.85</b>
Cost (based on \$370.33/day)	\$2,074	\$2,722	\$3,648	\$3,648
Estimated expenses	\$200	\$200	\$200	\$200
<b>Total Permitting Cost Per Dam</b>	<b>\$2,274</b>	<b>\$2,922</b>	<b>\$3,848</b>	<b>\$3,848</b>